MF113645

RELEASED
02/15/16

Mc

Lease Type	Control	Basefile	County
RAL	07-109274	136413	REEVES

Survey	T & P Ry Co		
Block	56		
Block Name			
Township	3-S		
Section/Tract	24		
Land Part	N/2		
Acres	Net: 80.000000	Gross: 320.000000	
Depth Below	Depth Above	Depth Other	

Name	PETROHAWK PROPERTIES LP
Lease Date	6/26/2011
Primary Term	5 years
Bonus	$92,000.00
Lease Royalty	0.12500000
Paid Up	Yes

Leasing: ________

Maps: ________

GIS: Mc

Scanlab: ________

STOP

CAUTION

Documents in this file have been placed in Table of Contents order and scanned.

Please help keep documents in content order and let the ScanLab know when new documents are added to this file.

Thank you for your assistance.

Archives and Records Staff

F1075118

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scanned PJ 7-19-16	

RAL REVIEW SHEET

Transaction # 7390

Geologist: R. Widmayer

Lessor: Blake Oil & Gas Corporation

Lease Date: 6/26/2011 **UL:** ☐

Lessee: Petrohawk Properties, LP

Gross Acres: 320

Net Acres: 80

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	[redacted]	136413	N/2	24	56	03S	T & P RY CO	4979

TERMS OFFERED		**TERMS RECOMMENDED**	
Primary Term:	5 years	Primary Term	5 years
Bonus/Acre:	$2,300.00	Bonus/Acre	$2,300.00
Rental/Acre:	$1.00	Rental/Acre	$1.00
Royalty:	1/4	Royalty	1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
MF110020	Petro-Hunt, L.L.C.	11/3/2008	5 years	$450.00	$1.00	1/4	Last Lease
Pending	Eagle Land Services	6-20-11	3 Yrs	$2000.00	$1.00	1/4	1.5 Miles South

Comments: Paid up 2nd & 3rd years, 4th year rental to be $2,300.00 per ac., this pays up the 5th year. 80 of the 320 acre North half under lease by Petro Hunt (MF110020, 11-3-2008, 5 yrs).

Approved: TW 8/15/11

Friday, August 12, 2011

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office | Jerry Patterson, Commissioner

TO: Jerry Patterson, Commissioner
Larry Laine, Chief Clerk
Bill Warnick, General Counsel
Louis Renaud, Deputy Commissioner

DATE: 12-Aug-11

FROM: Robert Hatter, Director of Mineral Leasing
Tracey Throckmorton, Geoscience Manager

Applicant:	Petrohawk Properties, LP			County:	REEVES
Prim. Term:	5 years	Bonus/Acre	$2,300.00		
Royalty:	1/4	Rental/Acre	$1.00		

Consideration

Recommended: TT Date: 8/15/11

Not Recommended: ______

Comments: Paid up 2nd & 3rd years, 4th year rental to be $2,300.00 per ac., this pays up the 5th year. 80 of the 320 acre North half under lease by Petro Hunt (MF110020, 11-3-2008, 5 yrs).

Lease Form

Recommended: RDH Date: 8/23/11

Not Recommended: ______

Comments:

Louis Renaud, Deputy Commissioner Date: 9-9-11

Recommended: CLR

Not Recommended: ______

Bill Warnick, General Counsel Date: 9/13/11

Recommended: WFW

Not Recommended: ______

Have Care

Larry Laine, Chief Clerk Date: 9/13/11

Approved: [signature]

Not Approved: ______

Jerry Patterson, Commissioner Date: 9/14/2011

Approved: Jerry E. Patterson

Not Approved: ______

1.

File No. 113645

RAL Review

1. Date Filed: 08/12/11
Jerry E. Patterson, Commissioner

By

EIS-0053

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

640General Land Office
Relinquishment Act Lease Form
Revised, September 1997

MF113645

The State of Texas

THE STATE OF TEXAS

Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 26th day of June, 2011, between the State of Texas, acting

by and through its agent, BLAKE OIL & GAS CORPORATION

of 400 North Main Street, Midland, Texas 79701

(Give Permanent Address)

said agent herein referred to as the owner of the soil (whether one or more), and PETROHAWK PROPERTIES, LP

of 6100 SOUTH YALE AVENUE, SUITE 500, TULSA, OKLAHOMA 74136 hereinafter called Lessee.

(Give Permanent Address)

1. GRANTING CLAUSE. For and in consideration of the amounts stated below and of the covenants and agreements to be paid, kept and performed by Lessee under this lease, the State of Texas acting by and through the owner of the soil, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power stations, telephone lines and other structures thereon, to produce, save, take care of, treat and transport said products of the lease, the following lands situated in Reeves County, State of Texas, to-wit:

320 acres, more or less, being the North Half (N/2) of Section 24, Block 56, Township 3, A-4979, T & P Railroad Co. Survey, Reeves County, Texas

Containing 320.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Ninety Two Thousand and No/100
Dollars ($92,000.00)

To the owner of the soil: Ninety Two Thousand and No/100
Dollars ($92,000.00)

Total bonus consideration: One Hundred Eighty Four Thousand and No/100
Dollars ($184,000.00)

The total bonus consideration paid represents a bonus of Two Thousand Three Hundred and No/100 Dollars ($2,300.00) per acre, on 80.00 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.

3. DELAY RENTALS. If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the "THIS IS A PAID-UP LEASE: SEE PARAGRAPH 40" Bank, at ____, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: N/A; Paid-Up Lease; See Paragraph 40
Dollars ($N/A; Paid-Up Lease; See Paragraph 40)

To the State of Texas: N/A; Paid-Up Lease; See Paragraph 40
Dollars ($N/A; Paid-Up Lease; See Paragraph 40)

Total Delay Rental: N/A; Paid-Up Lease; See Paragraph 40
Dollars ($N/A; Paid-Up Lease; See Paragraph 40)

In a like manner and upon like payments or tenders annually, the commencement of a well may be further deferred for successive periods of one (1) year each during the primary term. All payments or tenders of rental to the owner of the soil may be made by check or sight draft of Lessee, or any assignee of this lease, and may be delivered on or before the rental paying date. If the bank designated in this paragraph (or its successor bank) should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tenders of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders.

4. PRODUCTION ROYALTIES. Upon production of oil and/or gas, Lessee agrees to pay or cause to be paid one-half (1/2) of the royalty provided for in this lease to the Commissioner of the General Land Office of the State of Texas, at Austin, Texas, and one-half (1/2) of such royalty to the owner of the soil:

(A) OIL. Royalty payable on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also as all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, shall be <u>1/4</u>part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the leased premises is sold, used or processed in a plant, it will be run free of cost to the royalty owners through an adequate oil and gas separator of conventional type, or other equipment at least as efficient, so that all liquid hydrocarbons recoverable from the gas by such means will be recovered. The requirement that such gas be run through a separator or other equipment may be waived, in writing, by the royalty owners upon such terms and conditions as they prescribe.

(B) NON PROCESSED GAS. Royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products) shall be <u>1/4</u>part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be based on the highest market price paid or offered for gas of comparable quality in the general area where produced and when run, or the gross price paid or offered to the producer, whichever is the greater; provided that the maximum pressure base in measuring the gas under this lease shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to tests made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

(C) PROCESSED GAS. Royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons shall be <u>1/4</u>part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%), or that percent accruing to Lessee, whichever is the greater, of the total plant production of liquid hydrocarbons attributable to the gas produced from this lease; provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent *(50%)* or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arm's length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is the greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area, or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons), whichever is the greater. In no event, however, shall the royalties payable under this paragraph be less than the royalties which would have been due had the gas not been processed.

(D) OTHER PRODUCTS. Royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry," or any other gas, by fractionating, burning or any other processing shall be<u>1/4</u>part of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows: 1) on the basis of the highest market price of each product for the same month in which such product is produced, or 2) on the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

5. MINIMUM ROYALTY. During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid under this lease in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar ($1.00) per acre.

6. ROYALTY IN KIND. Notwithstanding any other provision in this lease, at any time or from time to time, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, upon not less than sixty (60) days notice to the holder of the lease, require that the payment of any royalties accruing to such royalty owner under this lease be made in kind. The owner of the soil's or the Commissioner of the General Land Office's right to take its royalty in kind shall not diminish or negate the owner of the soil's or the Commissioner of the General Land Office's rights or Lessee's obligations, whether express or implied, under this lease.

7. NO DEDUCTIONS. Lessee agrees that all royalties accruing under this lease (including those paid in kind) shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas and other products hereunder ready for sale or use. Lessee agrees to compute and pay royalties on the gross value received, including any reimbursements for severance taxes and production related costs.

8. PLANT FUEL AND RECYCLED GAS. No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding any other provision of this lease, and subject to the written consent of the owner of the soil and the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises or for injection into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed; no royalties shall be payable on the recycled gas until it is produced and sold or used by Lessee in a manner which entitles the royalty owners to a royalty under this lease.

9. ROYALTY PAYMENTS AND REPORTS. All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, then Lessee owes a penalty of 5%on the royalty or $25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or $25.00 whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year; such interest will begin to accrue when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

10. (A) RESERVES, CONTRACTS AND OTHER RECORDS. Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

(B) PERMITS, DRILLING RECORDS. Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. All applications, permits, reports or other filings that reference this lease or any specific well on the leased premises and that are submitted to the Texas Railroad Commission or any other governmental agency shall include the word "State" in the title. Additionally, in accordance with Railroad Commission rules, any signage on the leased premises for the purpose of identifying wells, tank batteries or other associated improvements to the land must also include the word "State." Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

(C) PENALTIES. Lessee shall incur a penalty whenever reports, documents or other materials are not filed in the General Land Office when due. The penalty for late filing shall be set by the General Land Office administrative rule which is effective on the date when the materials were due in the General Land Office.

11. DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM. If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term; and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking operations pursuant to Paragraph 13, using the expiration of the primary term as the date of cessation of production under Paragraph 13. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such payment, this lease shall ipso facto terminate. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises, payments may be made in accordance with the shut-in provisions hereof.

12. DRILLING AND REWORKING AT EXPIRATION OF PRIMARY TERM. If, at the expiration of the primary term, neither oil nor gas is being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional wells are prosecuted in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in oil or gas well royalties or compensatory royalties is made as provided in this lease.

13. CESSATION, DRILLING, AND REWORKING. If, after the expiration of the primary term, production of oil or gas from the leased premises, after once obtained, should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days after such cessation, and this lease shall remain in full force and effect for so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days. If such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect for so long as oil or gas is produced from the leased premises in paying quantities or payment of shut-in oil or gas well royalties or payment of compensatory royalties is made as provided herein or as provided by law. If the drilling or reworking operations result in the completion of a well as a dry hole, the lease will not terminate if the Lessee commences additional drilling or reworking operations within sixty (60) days after the completion of the well as a dry hole, and this lease shall remain in effect so long as Lessee continues drilling or reworking operations in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days. Lessee shall give written notice to the General Land Office within thirty (30) days of any cessation of production.

14. SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than $1,200 a year for each well capable of producing oil or gas in paying quantities. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar ($1.00) per acre. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. Such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for one more successive period of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

15. COMPENSATORY ROYALTIES. If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly, one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil, beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises. If the compensatory royalty paid in any 12-month period is an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 9 of this lease. None of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in Texas Natural Resources Code 52.173; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties can satisfy the obligation to drill offset wells.

16. RETAINED ACREAGE. Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon.

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

(B) HORIZONTAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall further terminate as to all depths below 100 feet below the total depth drilled deepest perforation(hereinafter "deeper depths") in each well located on acreage retained in Paragraph 16 (A) above., unless on or before two (2) years after the primary or extended term Lessee pays an amount equal to one-half (1/2) of the bonus originally paid as consideration for this lease (as specified on page 1 hereof). If such amount is paid, this lease shall be in force and effect as to such deeper depths, and said termination shall be delayed for an additional period of two (2) years and so long thereafter as oil or gas is produced in paying quantities from such deeper depths covered by this lease.

(C) IDENTIFICATION AND FILING. The surface acreage retained hereunder as to each well shall, as nearly as practical, be in the form of a square with the well located in the center thereof, or such other shape as may be approved by the Commissioner of the General Land Office. Within thirty (30) days after partial termination of this lease as provided herein, Lessee shall execute and record a release or releases containing a satisfactory legal description of the acreage and/or depths not retained hereunder. The recorded release, or a certified copy of same, shall be filed in the General Land Office, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date the release is filed. If Lessee fails or refuses to execute and record such release or releases within ninety (90) days after being requested to do so by the General Land Office, then the Commissioner at his sole discretion may designate by written instrument the acreage and/or depths to be released hereunder and record such instrument at Lessee's expense in the county or counties where the lease is located and in the official records of the General Land Office and such designation shall be binding upon Lessee for all purposes.

17. OFFSET WELLS. Neither the bonus, delay rentals, nor royalties paid, or to be paid, under this lease shall relieve Lessee of his obligation to protect the oil and gas under the above-described land from being drained. Lessee, sublessee, receiver or other agent in control of the leased premises shall drill as many wells as the facts may justify and shall use appropriate means and drill to a depth necessary to prevent undue drainage of oil and gas from the leased premises. In addition, if oil and/or gas should be produced in commercial quantities within 1,000 feet of the leased premises, or in any case where the leased premises is being drained by production of oil or gas, the Lessee, sublessee, receiver or other agent in control of the leased premises shall in good faith begin the drilling of a well or wells upon the leased premises within 100 days after the draining well or wells or the well or wells completed within 1,000 feet of the leased premises start producing in commercial quantities and shall prosecute such drilling with diligence. Failure to satisfy the statutory offset obligation may subject this lease and the owner of the soil's agency rights to forfeiture. Only upon the determination of the Commissioner of the General Land Office and with his written approval may the payment of compensatory royalty under applicable statutory parameters satisfy the obligation to drill an offset well or wells required under this paragraph.

18. FORCE MAJEURE. If, after a good faith effort, Lessee is prevented from complying with any express or implied covenant of this lease, from conducting drilling operations on the leased premises, or from producing oil or gas from the leased premises by reason of war, rebellion, riots, strikes, acts of God, or any valid order, rule or regulation of government authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply with such covenants; additionally, this lease shall be extended while Lessee is prevented, by any such cause, from conducting drilling and reworking operations or from producing oil or gas from the leased premises. However, nothing in this paragraph shall suspend the payment of delay rentals in order to maintain this lease in effect during the primary term in the absence of such drilling or reworking operations or production of oil or gas.

19. WARRANTY CLAUSE. The owner of the soil warrants and agrees to defend title to the leased premises. If the owner of the soil defaults in payments owed on the leased premises, then Lessee may redeem the rights of the owner of the soil in the leased premises by paying any mortgage, taxes or other liens on the leased premises. If Lessee makes payments on behalf of the owner of the soil under this paragraph, Lessee may recover the cost of these payments from the rental and royalties due the owner of the soil.

20. (A) PROPORTIONATE REDUCTION CLAUSE. If the owner of the soil owns less than the entire undivided surface estate in the above described land, whether or not Lessee's interest is specified herein, then the royalties and rental herein provided to be paid to the owner of the soil shall be paid to him in the proportion which his interest bears to the entire undivided surface estate and the royalties and rental herein provided to be paid to the Commissioner of the General Land Office of the State of Texas shall be likewise proportionately reduced. However, before Lessee adjusts the royalty or rental due to the Commissioner of the General Land Office, Lessee or his authorized representative must submit to the Commissioner of the General Land Office a written statement which explains the discrepancy between the interest purportedly leased under this lease and the actual interest owned by the owner of the soil. The Commissioner of the General Land Office shall be paid the value of the whole production allocable to any undivided interest not covered by a lease, less the proportionate development and production cost allocable to such undivided interest. However, in no event shall the Commissioner of the General Land Office receive as a royalty on the gross production allocable to the undivided interest not leased an amount less than the value of one-sixteenth (1/16) of such gross production.

(B) REDUCTION OF PAYMENTS. If, during the primary term, a portion of the land covered by this lease is included within the boundaries of a pooled unit that has been approved by the School Land Board and the owner of the soil in accordance with Natural Resources Code Sections 52.151-52.154, or if, at any time after the expiration of the primary term or the extended term, this lease covers a lesser number of acres than the total amount described herein, payments that are made on a per acre basis hereunder shall be reduced according to the number of acres pooled, released, surrendered, or otherwise severed, so that payments determined on a per acre basis under the terms of this lease during the primary term shall be calculated based upon the number of acres outside the boundaries of a pooled unit, or, if after the expiration of the primary term, the number of acres actually retained and covered by this lease.

21. USE OF WATER. Lessee shall have the right to use water produced on said land necessary for operations under this lease except water from wells or tanks of the owner of the soil; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for waterflood operations without the prior consent of the owner of the soil.

22. AUTHORIZED DAMAGES. Lessee shall pay the owner of the soil for damages caused by its operations to all personal property, improvements, livestock and crops on said land.

23. PIPELINE DEPTH. When requested by the owner of the soil, Lessee shall bury its pipelines below plow depth.

24. WELL LOCATION LIMIT. No well shall be drilled nearer than two hundred (200) feet to any house or barn now on said premises without the written consent of the owner of the soil.

25. POLLUTION. In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties. Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon. Lessee shall, while conducting operations on the leased premises, keep said premises free of all rubbish, cans, bottles, paper cups or garbage, and upon completion of operations shall restore the surface of the land to as near its original condition and contours as is practicable. Tanks and equipment will be kept painted and presentable.

26. REMOVAL OF EQUIPMENT. Subject to limitations in this paragraph, Lessee shall have the right to remove machinery and fixtures placed by Lessee on the leased premises, including the right to draw and remove casing, within one hundred twenty (120) days after the expiration or the termination of this lease unless the owner of the soil grants Lessee an extension of this 120-day period. However, Lessee may not remove casing from any well capable of producing oil and gas in paying quantities. Additionally, Lessee may not draw and remove casing until after thirty (30) days written notice to the Commissioner of the General Land Office and to the owner of the soil. The owner of the soil shall become the owner of any machinery, fixtures, or casing which are not timely removed by Lessee under the terms of this paragraph.

27. (A) ASSIGNMENTS. Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns. However, a change or division in ownership of the land, rentals, or royalties will not enlarge the obligations of Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including the original recorded muniments of title (or a certified copy of such original) when the ownership changed because of a conveyance. A total or partial assignment of this lease shall, to the extent of the interest assigned, relieve and discharge Lessee of all subsequent obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior assignee of the lease, including any liabilities to the State for unpaid royalties.

(B) ASSIGNMENT LIMITATION. Notwithstanding any provision in Paragraph 27(a), if the owner of the soil acquires this lease in whole or in part by assignment without the prior written approval of the Commissioner of the General Land Office, this lease is void as of the time of assignment and the agency power of the owner may be forfeited by the Commissioner. An assignment will be treated as if it were made to the owner of the soil if the assignee is:

(1) a nominee of the owner of the soil;

(2) a corporation or subsidiary in which the owner of the soil is a principal stockholder or is an employee of such a corporation or subsidiary;

(3) a partnership in which the owner of the soil is a partner or is an employee of such a partnership;

(4) a principal stockholder or employee of the corporation which is the owner of the soil;

(5) a partner or employee in a partnership which is the owner of the soil;

(6) a fiduciary for the owner of the soil; including but not limited to a guardian, trustee, executor, administrator, receiver, or conservator for the owner of the soil; or

(7) a family member of the owner of the soil or related to the owner of the soil by marriage, blood, or adoption.

28. RELEASES. Under the conditions contained in this paragraph and Paragraph 29, Lessee may at any time execute and deliver to the owner of the soil and place of record a release or releases covering any portion or portions of the leased premises, and thereby surrender this lease as to such portion or portions, and be relieved of all subsequent obligations as to acreage surrendered. If any part of this lease is properly surrendered, the delay rental due under this lease shall be reduced by the proportion that the surrendered acreage bears to the acreage which was covered by this lease immediately prior to such surrender; however, such release will not relieve Lessee of any liabilities which may have accrued under this lease prior to the surrender of such acreage.

29. FILING OF ASSIGNMENTS AND RELEASES. If all or any part of this lease is assigned or released, such assignment or release must be recorded in the county where the land is situated, and the recorded instrument, or a copy of the recorded instrument certified by the County Clerk of the county in which the instrument is recorded, must be filed in the General Land Office within 90 days of the last execution date accompanied by the prescribed filing fee. If any such assignment is not so filed, the rights acquired under this lease shall be subject to forfeiture at the option of the Commissioner of the General Land Office.

30. DISCLOSURE CLAUSE. All provisions pertaining to the lease of the above-described land have been included in this instrument, including the statement of the true consideration to be paid for the execution of this lease and the rights and duties of the parties. Any collateral agreements concerning the development of oil and gas from the leased premises which are not contained in this lease render this lease invalid.

31. FIDUCIARY DUTY. The owner of the soil owes the State a fiduciary duty and must fully disclose any facts affecting the State's interest in the leased premises. When the interests of the owner of the soil conflict with those of the State, the owner of the soil is obligated to put the State's interests before his personal interests.

32. FORFEITURE. If Lessee shall fail or refuse to make the payment of any sum within thirty days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or if Lessee should refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease under the terms of the Relinquishment Act. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

33. LIEN. In accordance with Texas Natural Resources Code 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by Texas Natural Resources Code 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Owner of the Soil may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title 1, Chap. 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

34. POOLING. Lessee is hereby granted the right to pool or unitize the royalty interest of the owner of the soil under this lease with any other leasehold or mineral interest for the exploration, development and production of oil or gas or either of them upon the same terms as shall be approved by the School Land Board and the Commissioner of the General Land Office for the pooling or unitizing of the interest of the State under this lease pursuant to Texas Natural Resources Code 52.151-52.154. The owner of the soil agrees that the inclusion of this provision in this lease satisfies the execution requirements stated in Texas Natural Resources Code 52.152.

35. INDEMNITY. Lessee hereby releases and discharges the State of Texas and the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees, and agents arising out of, incidental to, or resulting from, the operations of or for Lessee on the leased premises hereunder, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees and agents, their successors or assigns, against any and all claims, liabilities, losses, damages, actions, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, or strict liability, including attorneys' fees and other legal expenses, including those related to environmental hazards, on the leased premises or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities on the leased premises; those arising from Lessee's use of the surface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns. Each assignee of this Agreement, or an interest therein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees, and agents in the same manner provided above in connection with the activities of Lessee, its officers, employees, and agents as described above. **EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, ALL OF THE INDEMNITY OBLIGATIONS AND\OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS AGREEMENT SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY, OR THE**

NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, CONCURRENT, ACTIVE, OR PASSIVE.

36. ENVIRONMENTAL HAZARDS. Lessee shall use the highest degree of care and all reasonable safeguards to prevent contamination or pollution of any environmental medium, including soil, surface waters, groundwater, sediments, and surface or subsurface strata, ambient air or any other environmental medium in, on, or under, the leased premises, by any waste, pollutant, or contaminant. Lessee shall not bring or permit to remain on the leased premises any asbestos containing materials, explosives, toxic materials, or substances regulated as hazardous wastes, hazardous materials, hazardous substances (as the term "Hazardous Substance" is defined in the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Sections 9601, et seq.), or toxic substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with oil and gas exploration and development operations and stored in the usual manner and quantities. **LESSEE'S VIOLATION OF THE FOREGOING PROHIBITION SHALL CONSTITUTE A MATERIAL BREACH AND DEFAULT HEREUNDER AND LESSEE SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE STATE OF TEXAS AND THE OWNER OF THE SOIL FROM AND AGAINST ANY CLAIMS, DAMAGES, JUDGMENTS, PENALTIES, LIABILITIES, AND COSTS (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) CAUSED BY OR ARISING OUT OF (1) A VIOLATION OF THE FOREGOING PROHIBITION OR (2) THE PRESENCE, RELEASE, OR DISPOSAL OF ANY HAZARDOUS MATERIALS ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OR CONTROL OF THE LEASED PREMISES. LESSEE SHALL CLEAN UP, REMOVE, REMEDY AND REPAIR ANY SOIL OR GROUND WATER CONTAMINATION AND DAMAGE CAUSED BY THE PRESENCE OR RELEASE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OF THE LEASED PREMISES IN CONFORMANCE WITH THE REQUIREMENTS OF APPLICABLE LAW. THIS INDEMNIFICATION AND ASSUMPTION SHALL APPLY, BUT IS NOT LIMITED TO, LIABILITY FOR RESPONSE ACTIONS UNDERTAKEN PURSUANT TO CERCLA OR ANY OTHER ENVIRONMENTAL LAW OR REGULATION. LESSEE SHALL IMMEDIATELY GIVE THE STATE OF TEXAS AND THE OWNER OF THE SOIL WRITTEN NOTICE OF ANY BREACH OR SUSPECTED BREACH OF THIS PARAGRAPH, UPON LEARNING OF THE PRESENCE OF ANY HAZARDOUS MATERIALS, OR UPON RECEIVING A NOTICE FROM ANY GOVERNMENTAL AGENCY PERTAINING TO HAZARDOUS MATERIALS WHICH MAY AFFECT THE LEASED PREMISES. THE OBLIGATIONS OF LESSEE HEREUNDER SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION, FOR ANY REASON, OF THIS AGREEMENT.**

37. APPLICABLE LAW. This lease is issued under the provisions of Texas Natural Resources Code 52.171 through 52.190, commonly known as the Relinquishment Act, and other applicable statutes and amendments thereto, and if any provision in this lease does not conform to these statutes, the statutes will prevail over any nonconforming lease provisions.

38. EXECUTION. This oil and gas lease must be signed and acknowledged by the Lessee before it is filed of record in the county records and in the General Land Office of the State of Texas. Once the filing requirements found in Paragraph 39 of this lease have been satisfied, the effective date of this lease shall be the date found on Page 1.

39. LEASE FILING. Pursuant to Chapter 9 of the Texas Business and Commerce Code, this lease must be filed of record in the office of the County Clerk in any county in which all or any part of the leased premises is located, and certified copies thereof must be filed in the General Land Office. This lease is not effective until a certified copy of this lease (which is made and certified by the County Clerk from his records) is filed in the General Land Office in accordance with Texas Natural Resources Code 52.183. Additionally, this lease shall not be binding upon the State unless it recites the actual and true consideration paid or promised for execution of this lease. The bonus due the State and the prescribed filing fee shall accompany such certified copy to the General Land Office.

40. DELAY RENTALS. As stipulated in Paragraph #3 of this lease, the rentals for this lease have been PAID-UP for the second (2^{nd}) and third (3^{rd}) years of the primary term hereof. Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4^{th}) and fifth (5^{th}) years of the primary term provided for herein by tendering a payment of Two Thousand Three Hundred dollars ($2,300.00) per net acre, such payment to be divided equally between the State of Texas and the owner of the soil and made prior to June 26, 2014, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time.

ADDENDUM PROVISIONS - #41 - #49

The printed lease form to which this addendum is attached contains printed Paragraphs 1 through 40. The provisions set forth below, including Paragraphs 41 through 49, are made a part of the printed lease form, as though originally contained therein. In the event of a conflict between any of the provisions of Paragraphs 1 through 40 and any of the provisions contained in this addendum, the conflicting provision of this addendum shall prevail. The term "this lease," whether appearing in the printed lease form or this addendum, shall mean the agreement contained in the printed lease form, as amended, supplemented and superseded by this addendum.

41. The term "Actual Drilling" will be defined as having a rig on location (and drilling operations underway) that is capable of drilling to the permitted total depth, which must be within a formation reasonably believed to contain commercially recoverable deposits of oil and/or gas.

42. After the expiration of the primary term and/ or the extended term, whichever is later, this Oil, Gas and Mineral Lease shall be construed to be a separate lease as to each separate production unit.

43. Lessee shall have use of water from the land leased herein, and purchased from Lessor at the rate of $7,500, proportionate to Lessor's interest, per well drilled by Lessee. Any water well which Lessee drills shall be cased from top to bottom; the surface pipe shall be enclosed in concrete either two feet square or two feet in diameter in the form of a circle with sufficient length of the pipe protruding above the enclosure to facilitate installation of connections or well equipment. On termination of Lessee's use of a well, Lessor shall have the option of assuming ownership of the well. If Lessor accepts the well, the well shall be capped-off, and turned over to the surface owner by written notice, and the well, casing, pump, and electrical poles and lines leading to the well, shall become the property of the surface owner and shall be left by Lessee in the same condition as when water was last obtained from it by Lessee. Furthermore, if Lessor accepts the well, it is agreed that Lessor will accept all responsibility for such well or wells and the plugging of same at no cost to Lessee, and will hold Lessee harmless from any claims, damages or any other causes of action against Lessee during that time Lessor elects to operate same. If Lessor elects not to assume ownership of the well, Lessee shall plug the well and remove all related equipment.

44. Unless otherwise agreed by the owner of the soil in writing and in advance, Lessee shall be prohibited from disposing of salt water on the leased premises. Disposal of any such salt water or the removal of salt water from the leased premises shall be accomplished in strict compliance with the rules and regulations of the RRC and any other governmental agency having jurisdiction thereof.

45. Lessor shall have access to all information developed in the drilling of any well drilled on the Leased Premises or any land with which the Leased Premises or any portion of it is pooled. Upon written request, Lessor shall be furnished with samples of all cores taken and cuttings made, and copies of all driller's logs and electric logs after completion of said well(s). Lessor hereby acknowledges that any information provided Lessor by Lessee pursuant hereto is confidential and shall be solely and exclusively for Lessor's internal use and Lessor hereby agrees and warrants that no information or any part thereof shall be shown, disclosed, sold, traded or otherwise conveyed to any person or entity. Lessee shall not be required to provide any proprietary or interpretive information to lessor.. All said information will be furnished in a timely manner to the Owner of the Soil at the above address or e-mail (navoil@aol.com and jeb@bog.wtxcoxmail.com). Contact information is subject to change.

46. The owner of the soil makes no warranty of title to the leased premises, either express or implied.

47. Lessee agrees to pay the following to compensate for damage to the surface of the leased premises:

a. Well Location Damages:

i. Five-thousand dollars ($5,000.00) for less than 4,000 feet permit depth (up to 1.5 acre pad) (up to a 256' x 256' pad or equivalent);

To the State of Texas:	$2,500.00
To the owner of the soil:	$2,500.00

ii. Eight-thousand dollars ($8,000.00) for 4,000 feet to 7,999 feet permit depth (up to 2.0 acre pad) (up to a 295' x 295' pad or equivalent);

To the State of Texas:	$4,000.00
To the owner of the soil:	$4,000.00

iii. Thirteen-thousand dollars ($13,000.00) for 8,000 feet to 13,000 feet permit depth (up to 3.0 acre pad) (up to a 361' x 361' pad or equivalent);

To the State of Texas:	$6,500.00
To the owner of the soil:	$6,500.00

iv. Sixteen-thousand dollars ($16,000.00) for greater than 13,000 feet permit depth (up to 3.5 acre pad) (up to a 390' x 390' pad or equivalent).

To the State of Texas:	$8,000.00
To the owner of the soil:	$8,000.00

The above-described Well Location Damages reflect the current University Lands – West Texas Operations Rate and Damage Schedule that are in effect as of the effective date of this lease. The Well Location Damages set forth above shall be revised periodically as and when the University Lands – West Texas Operations Rate and Damage Schedule for well locations is revised and published by the University of Texas system.

b. Two-thousand dollars ($2,000.00) for each tank battery location not located on a drill site location;

To the State of Texas:	$1,000.00
To the owner of the soil:	$1,000.00

c. Twenty-five dollars ($25.00) per rod for new roads constructed by Lessee on the leased premises;

To the State of Texas:	$12.50 per rod
To the owner of the soil:	$12.50 per rod

d. Twenty-five dollars ($25.00) per rod for new pipelines laid or buried on the land;

To the State of Texas:	$12.50 per rod
To the owner of the soil:	$12.50 per rod

48. The provisions of this lease shall inure to the benefit of and be binding upon the owner of the soil, the State of Texas, and Lessee, and their respective heirs, successors, assigns, representatives, directors, principals, agents, employees, contractors and subcontractors.

49. In the event this lease is perpetuated beyond the primary term by production or drilling or reworking operations, this lease shall remain in full force and effect as to all of the lands covered by this lease if on or before One Hundred Eighty (180) days after the primary term, lessee commences a continuous development drilling program on the leased premises in accordance with the following, and thereafter diligently continues and prosecutes such continuous drilling operations on the leased premises with no cessation of more than One Hundred Eighty (180) days between the completion of any one well and the commencement of the actual drilling of the next succeeding oil and/or gas well. At and after the expiration of the primary term, failure to timely commence or prosecute the continuous development program provided hereinabove shall terminate this lease as to all of the above described premises, SAVE and EXCEPT as to each "production unit" as hereinafter defined. A production unit for a vertical well shall be (i) the maximum number of acres required or permitted by the Railroad Commission of Texas for a proration unit under then existing special field rules or (ii) if there are no special field rules 40 acres around each vertical oil well and 160 acres around each vertical gas well then producing or capable of producing oil and/or gas in paying quantities. In the event of a horizontal well, Lessee may allocate acreage to each production unit as allowed by Rule 86 of the Railroad Commission of Texas. Each production unit retained by Lessee shall be limited to those depths from the surface of the ground to 100' below the stratagraphic equevilant of the base of the deepest formation from which production of oil or gas in paying quantities is being maintained (or, in the case of a shut-in gas well, can be maintained; or, in the case of a well which has yet to be completed, down to 100' below the stratagraphic equevilant of the base of the deepest formation penetrated upon completion of drilling) in the well on such production unit and all deeper depths shall be released.

The first such development well shall be commenced on or before 180 days after the expiration of the primary term of this lease; provided, however, that if there is a well being drilled on the land covered by this lease at the expiration of the primary term hereof, the first such development well shall be commenced on or before 180 days from the date of completion of said well. The term "completion," as used herein, shall mean the earlier of the date of completion shown on the Railroad Commission Initial Potential Form W-2 or 60 days from the date of release of the drilling rig. Upon termination of this lease as to any portion of the leased premises, Lessee shall deliver to Owner of the soil a plat showing the designated production units around each well and a partial release complying with the requirements of this paragraph, suitable for recording.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

STATE OF TEXAS
By: BLAKE OIL & GAS CORPORATION

BY: Jack E. Blake
Title: President
Individually and as agent for the State of Texas
Date: 7-20-11

LESSEE: PETROHAWK PROPERTIES, LP
By: P-H Energy, LLC, Its General Partner

BY: D.R. Deffenbaugh
Title: Vice President – Land
Date: 7-26-11

STATE OF TEXAS (CORPORATION ACKNOWLEDGMENT)

COUNTY OF MIDLAND

BEFORE ME, the undersigned authority, on this day personally appeared Jack E. Blake known to me to be the person whose name is subscribed to the foregoing instruments as President of Blake Oil & Gas Corporation and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 20th day of July, 2011.

JAN R. DAVIS
MY COMMISSION EXPIRES
September 16, 2012

NOTARY PUBLIC STATE OF TEXAS

Jan R. Davis

Notary Public in and for Midland County, Texas

STATE OF OKLAHOMA (CORPORATION ACKNOWLEDGMENT)

COUNTY OF TULSA

BEFORE ME, the undersigned authority, on this day personally appeared D.R. Deffenbaugh known to me to be the person whose name is subscribed to the foregoing instruments as Vice President -Land of P-H Energy, LLC, general partner of Petrohawk Properties, LP, a Texas limited partnership and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 26th day of July, 2011.

Rita Kay Walker

Notary Public in and for Oklahoma

RITA KAY WALKER
NOTARY PUBLIC
04007821
EXP. 08/27/12
STATE OF OKLAHOMA

File No. 113645

Lease

Date Filed: 08/08/11

Jerry E. Patterson, Commissioner

By

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of Oil & Gas Lease dated June 26, 2011, filed for record in my office this 4th day of August 2011 at 10:30 AM, under Clerk's File No. 3321, to be recorded in the Official Public Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 4th day of August, 2011.

Dianne O. Florez
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By Dulce Halid, Deputy.

Lessor	Gross Ac	Net Ac.	Interest	Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Tunstill Oil and Land Trust	640	640.00000000	1	$2,500.00	$800,000.00	$800,000.00	$1,600,000.00
TOTALS		640.00000000	1.00		$800,000.00	$800,000.00	$1,600,000.00

SECTION 2, BLOCK 59, PSL, REEVES COUNTY, TEXAS							
Lessor	Gross Ac	Net Ac.	Interest	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
E. L. M. W. Torsy, Executrix of the Estate of M. G. Baker, Deceased, also known as Truus Baker and AKA Mrs. Artie Baker	40	40.00000000	1	$1,500.00	$30,000.00	$30,000.00	$60,000.00
TOTALS		40.00000000	1.00		$30,000.00	$30,000.00	$60,000.00

Total Amount from Surplus funds at GLO	$717,600.00
Total Amount to be paid by check	$904,358.33

AUGUST 26, 2011 REQUEST

The following bonuses will be paid by the surplus of funds that we have at the GLO

SECTION 10, BLOCK 55, Township 5, T & P RR Co. Survey, Reeves County, Texas							
Lessor	Gross Ac	Net Ac.	Interest	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Hyle Doss, et ux	640	240.00000000	3/8	$2,500.00	$300,000.00	$300,000.00	$600,000.00
Wesley Chalfant, et ux	640	240.00000000	3/8	$2,500.00	$300,000.00	$300,000.00	$600,000.00
TOTALS		480	0.75		$600,000.00	$600,000.00	$1,200,000.00

W/2 OF SECTION 46, BLOCK 55, Township 5, T & P RR Co. Survey, Reeves County, Texas							
Lessor	Gross Ac	Net Ac.	Interest	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Melvin H. McKinney, Jr.	320	6.66666667	1/48	$1,800.00	$6,000.00	$6,000.00	$12,000.00
Michael J. McKinney	320	6.66666667	1/48	$1,800.00	$6,000.00	$6,000.00	$12,000.00
Steven B. McKinney	320	6.66666667	1/48	$1,800.00	$6,000.00	$6,000.00	$12,000.00
TOTALS		20.00000001	0.06		$18,000.00	$18,000.00	$36,000.00

N/2 OF SECTION 24, BLOCK 56, Township 3, T & P RR Co. Survey, Reeves County, Texas							
Lessor	Gross Ac	Net Ac.	Interest	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Blake Oil & Gas Corporation	320	80.00000000	1/4	$2,300.00	$92,000.00	$92,000.00	$184,000.00
TOTALS		80	0.25		$92,000.00	$92,000.00	$184,000.00

SECTION 34, BLOCK 56, Township 3, T & P RR Co. Survey, Reeves County, Texas							
Lessor	Gross Ac	Net Ac.	Interest	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Blake Oil & Gas Corporation	640	53.33333333	1/12	$2,300.00	$61,333.33	$61,333.33	$122,666.67
TOTALS		53.33333333	0.08		$61,333.33	$61,333.33	$122,666.67

*only $7,600 will be used from surplus of funds. The remaining $53,733.33 will be paid by check

---

The following bonuses will be paid by check

SECTION 36, BLOCK 57, Township 3, T & P RR Co. Survey, Reeves County, Texas							
Lessor	Gross Ac	Net Ac.	Interest	Bonus Per Acre	Bonus to Lessor	Bonus to State	Lease Bonus
Kenneth Thornton	480	10.00000000	1/48	$1,500.00	$7,500.00	$7,500.00	$15,000.00
Cindy Yowell	480	10.00000000	1/48	$1,500.00	$7,500.00	$7,500.00	$15,000.00
Kim Chalfant	480	7.50000000	1/64	$1,500.00	$5,625.00	$5,625.00	$11,250.00
TOTALS		27.50000000	0.06		$20,625.00	$20,625.00	$41,250.00

New

EXPLORATION LAND SERVICES, LLC

P O Box 52105 • Lafayette, Louisiana 70505-2105 • Phone: 337.234.3500 • Fax: 337.234.3525 • Email: contact@explorationland.com

August 5, 2011

Via FedEx

Mr. Drew Reid
Texas General Land Office
1700 Congress Avenue
Stephen F. Austin Building, RM 847
Austin, Texas 78701

Re: Oil, Gas and Mineral Leases
Reeves County, Texas

Dear Drew:

Enclosed herewith, please find thirteen (13) certified copies of leases, taken in the name of the State of Texas, in favor of Petrohawk Properties, LP, listed as follows:

Lease No.	**Date**	**Lessor**
ELS-0014G	05/16/2011	Lou Ann Yang
ELS-0027K	06/24/2011	Melvin H. McKinney, Jr.
ELS-0027L	06/24/2011	Michael J. McKinney
ELS-0027M	06/24/2011	Steven B. McKinney
ELS-0030A	04/25/2011	Arthur L. Schlofman
ELS-0030B	04/25/2011	Mary F. Lindsey
ELS-0030C	04/25/2011	Kathryn Anne Schlofman
ELS-0048A	05/17/2011	Waikiki Partners, LP
ELS-0048B	06/28/2011	Herd Partners, Ltd
ELS-0048C	06/28/2011	Johnston Trust Agreement
ELS-0053	06/26/2011	Blake Oil & Gas Corporation
ELS-0054	06/26/2011	Blake Oil & Gas Corporation
ELS-0055	06/26/2011	Blake Oil & Gas Corporation

Trans #
7390
Contract # 1051
07-109274

Also enclosed, please find a check in the amount of $925.00. This amount covers the filing fee for the 13 leases @ $25/per lease, and 6 tracts @ $100/per tract which covers all required fees associated with the above listed leases. Please be advised that the filing fees for the tracts under lease ELS-0014G was previously paid by check number 2707, issued May 24, 2011 and the filing fees for the tracts under leases ELS-0027K, L & M were previously paid by check number 2801, issued June 28, 2011. I trust that you will not hesitate to call me with any questions that you may have concerning this matter.

Sincerely yours,

Natalie Holeman

Natalie Holeman

encl.

2919

EXPLORATION LAND SERVICES, LLC
PO BOX 52105
LAFAYETTE, LA 70505-2105

IBERIABANK
[redacted]

8/5/2011

PAY TO THE ORDER OF Commissioner of the General Land Office $**925.00

Nine Hundred Twenty-Five and 00/100** DOLLARS

Commissioner of the General Land Office
of the State of Texas, at Austin, TX

AUTHORIZED SIGNATURE

MEMO Filing Fee for 13 Leases & Processing Fee for 6 Trac

⑈002919⑈ [redacted]

EXPLORATION LAND SERVICES, LLC 2919

Commissioner of the General Land Office 8/5/2011

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/5/2011	Bill	Filing&ProcessingFee	925.00	925.00		925.00
					Check Amount	925.00

Received By:

Iberia Bank Filing Fee for 13 Leases & Processing Fee for 6 925.00

EXPLORATION LAND SERVICES, LLC 2919

Commissioner of the General Land Office 8/5/2011

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/5/2011	Bill	Filing&ProcessingFee	925.00	925.00		925.00
					Check Amount	925.00

PAYMENT RECORD

Delaware Basin Leasing

Iberia Bank Filing Fee for 13 Leases & Processing Fee for 6 925.00

EXPLORATION LAND SERVICES, LLC 2919

Commissioner of the General Land Office 8/5/2011

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/5/2011	Bill	Filing&ProcessingFee	925.00	925.00		925.00
					Check Amount	925.00

11714514

121

Iberia Bank Filing Fee for 13 Leases & Processing Fee for 6 X 925.00

EXPLORATION LAND SERVICES, LLC

P O Box 52105 • Lafayette, Louisiana 70505-2105 • Phone: 337.234.3500 • Fax: 337.234.3525 • Email: contact@explorationland.com

May 2, 2011

Via FedEx

Mr. Drew Reid
Texas General Land Office
1700 Congress Avenue
Stephen F. Austin Building, RM 847
Austin, Texas 78701

Re: Oil, Gas and Mineral Leases
Reeves County, Texas

Dear Drew:

Enclosed herewith, please find one (1) check, made payable to the Commissioner of the General Land Office including a copy of said check. Also enclosed is a report prepared for you containing a calculated breakdown of the interests and properties the check covers.

Date	**Check No.**	**Amount**
05/02/2011	7828	$2,568,528.22

Please sign and return the copy of the check to me in the enclosed prepaid envelope.

I trust that you will not hesitate to call me with any questions that you may have concerning this matter.

Sincerely yours,

Natalie Holeman

Natalie Holeman

encl.

$819,598.50
MF-112683

− 54,900.00

$764,698.50 total amt

3.

File No. 113645

3. Ltr, bonus, fees

Date Filed: 09/07/11

Jerry E. Patterson, Commissioner

By

175065 0507 1 000034 000133 001/004

Check No.: 202713
Payment Type: DELAY RENTAL

Period Covered: ~~06/26/2014-06/26/2016~~
Payment Amount: $92,000.00

121

14712941

Lease Number: 1044376/001 LSE

Original Lessor: BLAKE OIL AND GAS CORPORATION

Lease Effective Date: 06/26/2011

Recording Information: Book # 893 Page # 564, 5321

State: TX

County: REEVES

Check Remarks:
DELAY RENTALS 4TH & 5TH YEAR TERM.

SEC 24, BLK 56 TWP 3

MF113645

RENTAL PAYMENT
4th & 5th yrs.

P

For the Credit of:

Owner: COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE ATN MINERAL LEASING

(BA#):80104210

Payment Amount: $92,000.00

Address: 1700 N CONGRESS AVE
AUSTIN, TX 78701

175065 0507 1 000034 000133 001/004

Check No.: 202713
Payment Type: DELAY RENTAL

Period Covered: 06/26/2014-06/26/2016
Payment Amount: $92,000.00

14712941

Lease Number: 1044376/001 LSE

Original Lessor: BLAKE OIL AND GAS CORPORATION

Lease Effective Date: 06/26/2011

Recording Information: Book # 893 Page # 564, 5321

State: TX

County: REEVES

Check Remarks:
DELAY RENTALS 4TH & 5TH YEAR TERM.

SEC 24, BLK 56 TWP 3

MF113645

For the Credit of:

Owner: COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE ATN MINERAL LEASING

(BA#):80104210

Payment Amount: $92,000.00

Address: 1700 N CONGRESS AVE
AUSTIN, TX 78701

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

14712941

bhpbilliton
PETROHAWK ENERGY CORPORATION
ATTN LAND ADMINISTRATION
P.O. BOX 22719
HOUSTON, TX 77027-9998

Bank of America 1455 Market St. 4th Fl
San Francisco CA 94103

[redacted]

DATE **05/07/2014** CHECK NO. **202713**

AMOUNT *********$92,000.00

PAY *********92000*DOLLARS AND* 00*CENTS

VOID IF NOT CASHED WITHIN
SIX MONTHS OF ISSUE

NON TRANSFERABLE

Owner Call Center: 1-877-311-1443

PAY TO THE ORDER OF

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE ATN MINERAL LEASING
1700 N CONGRESS AVE
AUSTIN, TX 78701

David Powell
FACSIMILE SIGNATURE

Jeffrey L. Schilling
FACSIMILE SIGNATURE

⑈000202713⑈ [redacted]

4.

File No. MF113645

Rentals- 4th & 5th yrs.

4. Date Filed: 05/28/2014

Jerry E. Patterson, Commissioner

By [signature]

TEXAS GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

September 11, 2014

Micah Strother
BHP Billiton Petroleum
Post Office Box 22719
Houston, Texas 77027

Re: **State Lease MF 113645** RAL Lease dated June 26, 2011, covering 320 ac. being Sec. 24, Blk. 56, T-3, T&P Ry. Co. Survey, Reeves Co., TX, Blake Oil & Gas, agent for State of TX, Lessor

Dear Mr. Strother:

The copy of the Relinquishment Act lease covering the above referenced tract has been approved and filed in our records under Mineral File numbers **MF-113645. Please refer to this lease number when making payments to the State and in all future correspondence concerning the lease. Failure to include the mineral file number may delay processing of any payments towards the lease.**

There are several contractual and statutory responsibilities for the Lessee which are material provisions of the lease as outlined in the agreement such as Section 10(B) which requires submission of written notice for all drilling, production and related activities. When forms are filed with the Texas Railroad Commission, they are required to be submitted to the General Land Office as well. Examples are W-1, Application to Drill; W-2, Oil Well Completion Report and Log; G-1, Gas Well Completion Report and Log; W-3, Plugging Report; G-5, Gas Well Classification Report; G-10, Gas Well Status Report; W-10, Oil Well Status Report; W-12, Inclination Report; electric logs; directional surveys.

Chapter 52 of the Texas Natural Resources Codes specifies that the surface owner's right to receive a portion of the revenues generated by the lease shall be in lieu of all damages to the soil. Therefore, any payments made for surface use or damages other than the authorized damages set out in the lease form must be shared equally with the state.

Your remittance of **$92,000.00** has been applied to the State's portion of the cash bonus. We are also in receipt of your filing and processing fees. However, we have not received a recorded copy of the lease. Please forward this as soon as possible.

Sincerely yours,

Deborah A. Cantu

Deborah A. Cantu
Mineral Leasing, Energy Resources
(512) 305-8598
deborah.cantu@glo.texas.gov

5.

File No. 113645

5. Final ltr

Date Filed: 09/11/14

Jerry E. Patterson, Commissioner

By [signature]

16-03741
FILED FOR RECORD
REEVES COUNTY, TEXAS
Mar 28, 2016 at 02:55:00 PM

RELEASE OF OIL, GAS AND MINERAL LEASE

MF-113645

STATE OF TEXAS §

COUNTY OF REEVES §

KNOW ALL MEN BY THESE PRESENTS THAT, **BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP**, a Texas Limited Partnership (hereinafter referred to as "BHP"), whose mailing address is Post Office Box 22719, Houston, Texas 77027-9998, is a current owner of certain interests in and to the following Oil, Gas And Mineral Lease (hereinafter referred to as "the Lease"), listed below:

Lessor:	Blake Oil & Gas Corporation, as Agent for the State of Texas (MF#-113645)
Lessee:	Petrohawk Properties, LP
Dated:	June 26, 2011
Recorded:	Volume 893, Page 564 of the Official Public Records, Reeves County, Texas
Description:	320 acres, more or less, being the North Half (N/2) of Section 24, Block 56, Township 3, A-4979, T & P Railroad Co. Survey, Reeves County, Texas

NOW THEREFORE, and in consideration of One Dollar ($1.00) and other valuable considerations, the receipt and adequacy of which is hereby acknowledged, **BHP**, does hereby release, remise, relinquish and forever quitclaim any and all right, title and interest whatsoever now held or claimed by them under the Lease and any and all amendments thereto, if any.

IN WITNESS WHEREOF, this instrument is executed this the 17th day of March, 2016, but is made effective February 15, 2016.

BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
By: BHP Billiton Petroleum Properties (GP), LLC
Its General Partner

By: [signature] BB
Stephen L. Mahanay, Attorney-in-Fact

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the 17 day of MARCH, 2016, by Stephen L. Mahanay, Attorney-in-Fact of BHP Billiton Petroleum Properties (GP), LLC, a Texas limited liability company, general partner of BHP Billiton Petroleum Properties (N.A.), LP, a Texas limited partnership on behalf of said limited partnership.

Lynn Latiolais
Notary Public, State of Texas

LYNN LATIOLAIS
Notary Public, State of Texas
Comm. Expires 10-10-2017
Notary ID 210736-6

Inst No. 16-03741
DIANNE O. FLOREZ
COUNTY CLERK
2016 Mar 28 at 02:55 PM
REEVES COUNTY, TEXAS
By: BA [signature], DEPUTY

TRUE & CORRECT COPY OF ORIGINAL FILED IN REEVES COUNTY CLERKS OFFICE

6.

File No. 113645

Release County

Date Filed: 04/05/16

George P. Bush, Commissioner

By

THE STATE OF TEXAS
COUNTY OF REEVES I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct Release of O&G Min. Lease dated March 17, 2016 filed for record in my office this 28 day of March at 2:55 P M, under Clerk's File No. 16-03741, to be recorded in the OPR Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 28 day of March, 2016.

By Brittany [signature], Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

R & O ENERGY LLC 8872

5/18/2016

Texas GLO

$50.00

BHP- Permian
All Sec. 34 Blk 56 T3

126

R & O ENERGY LLC 8872

16711114

LMP12 M/P CHECK
E07200/39297 (5/10) 596341

R&O ENERGY
EXCELLENCE IN LAND SERVICES

May 17, 2016

Attention: Mr. Drew Reid
Texas General Land Office
1700 N. Congress Ave, Suite 840
Austin, TX 78701

RE: Release of Oil, Gas and Mineral Lease
and Oil and Gas Lease
320.00 gross acres, being the
North Half (N/2) of Sec 24, Block 56, Township 3,
A-4979, Reeves County, Texas

Dear Mr. Reid:

Enclosed you will find one check in the amount of $50.00 being the filing fee for the following enclosed:

- One certified copy of Release of Oil, Gas and Mineral Lease from BHP Billiton Petroleum Properties (N.A.), LP, to Blake Oil and Gas Corporation, as Agent for the State of Texas, dated effective February 15, 2016, filed under Instrument No. 16-03741, Volume 1254, Page 159, of the Official Public Records of Reeves County, Texas.
- One certified copy of Oil and Gas Lease from Blake Oil and Gas Corporation, as Agent for the State of Texas, to BHP Billiton Petroleum Properties (N.A.), LP., dated February 15, 2016, filed under Instrument No. 16-03768, Volume 1254, Page 276, of the Official Public Records of Reeves County, Texas.

Feel free to call me if you have any questions in this matter.

Sincerely,

Nathan Deniakos
ndeniakos@yahoo.com
Office:(318) 861-4110
Fax: (318) 861-4119
Cell:(713) 898-5153

16-03741
FILED FOR RECORD
REEVES COUNTY, TEXAS
Mar 28, 2016 at 02:55:00 PM

RELEASE OF OIL, GAS AND MINERAL LEASE

STATE OF TEXAS §

COUNTY OF REEVES §

VOL 1254 PG 0159

KNOW ALL MEN BY THESE PRESENTS THAT, **BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP**, a Texas Limited Partnership (hereinafter referred to as "BHP"), whose mailing address is Post Office Box 22719, Houston, Texas 77027-9998, is a current owner of certain interests in and to the following Oil, Gas And Mineral Lease (hereinafter referred to as "the Lease"), listed below:

Lessor:	Blake Oil & Gas Corporation, as Agent for the State of Texas (MF#-113645)
Lessee:	Petrohawk Properties, LP
Dated:	June 26, 2011
Recorded:	Volume 893, Page 564 of the Official Public Records, Reeves County, Texas
Description:	320 acres, more or less, being the North Half (N/2) of Section 24, Block 56, Township 3, A-4979, T & P Railroad Co. Survey, Reeves County, Texas

NOW THEREFORE, and in consideration of One Dollar ($1.00) and other valuable considerations, the receipt and adequacy of which is hereby acknowledged, **BHP,** does hereby release, remise, relinquish and forever quitclaim any and all right, title and interest whatsoever now held or claimed by them under the Lease and any and all amendments thereto, if any.

IN WITNESS WHEREOF, this instrument is executed this the 17th day of March, 2016, but is made effective February 15, 2016.

BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
By: BHP Billiton Petroleum Properties (GP), LLC
Its General Partner

By: [signature] BB
Stephen L. Mahanay, Attorney-in-Fact

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the 17 day of MARCH, 2016, by Stephen L. Mahanay, Attorney-in-Fact of BHP Billiton Petroleum Properties (GP), LLC, a Texas limited liability company, general partner of BHP Billiton Petroleum Properties (N.A.), LP, a Texas limited partnership on behalf of said limited partnership.

Lynn Latiolais
Notary Public, State of Texas

LYNN LATIOLAIS
Notary Public, State of Texas
Comm. Expires 10-10-2017
Notary ID 210736-6

Inst No. 16-03741
DIANNE O. FLOREZ
COUNTY CLERK
2016 Mar 28 at 02:54 PM
REEVES COUNTY, TEXAS
By: BA, DEPUTY

7.

File No. 113645

County

Ltr, fee, & Certified Release

Date Filed: 05/24/16

George P. Bush, Commissioner

By